DEMANDS FOR GRANTS.

DEMAND I—EXCISE DEPARTMENT.

Mr. P. G. Narayanan Unnithan (*Excise Commissioner*): Sir, I rise to move for a grant of Rs. 7,09,732 under Demand I, Excise.

President: Honourable members who wish to participate in the debate will kindly send up their names.

Mr. G. Narayana Aiyar: Sir, I oppose the demand. The idea in opposing it is to speak of some of the unnecessary items of expenditure of this Department. With the surrender of the jurisdiction of the railway line from Shencottah to Trivandrum, I find no more necessity in maintaining all the 28 railway chowkeys. From Shencottah to Trivandrum the whole territory is Travancore territory and as such in the Travancore territory we can travel carrying dutiable articles without paying duty for them excepting in certain cases. The minimum expenditure to maintain a chowkey will be only about Rs. 50 per mensem that is to maintain a petty officer and one or two peons. So much so the annual average cost will come to about Rs. 600 per chowkey. Now if all these 27 chowkeys excepting the one at the frontier are dispensed with Government can save annually about Rs. 15,000. Therefore, Sir, this expenditure is only a sheer wastage. Moreover, when we consider the receipts from these chowkeys we can see that from 13 of them the income received is far below the average. A reference to page 161 of the Administration Report of this department it is seen that the income from one chowkey is only Rs. 29 and from another Rs. 30 and so on. So long as these chowkeys exist, to travel by train from Shencottah to Trivandrum has become a source of trouble and nuisance to the public when a passenger gets down at any of these chowkeys he has to subject to an examination of all his belongings. But if we go in the bus nobody questions us as to the luggage that we are carrying and we are not asked to open our boxes and trunks. Even if we are boarding a train at a station say, two miles from the Trivandrum Central when we got down at Trivandrum we are asked to show our luggage to the Excise authorities there. Sir, this is hard so far as the passengers are concerned, when it is seen that they could travel in safety and without annoyance by the bus. If the Government want to check the export and import of dutiable articles from and into Travancore, the best thing will be to have a proper chowkey at the border at Shencottah as is being done in Pondicherry and in British India. It is only when we land at the border of the territory we are asked to unload and show our articles. And for that matter, we can travel with safety from Parur to Trivandrum without being checked by the Customs authorities. I submit, Sir, that this practice as is obtained here is very hard on the passengers. It is high time that Government

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should remove these chowkeys once for all so that the amount spent for them *i. e.*, Rs. 15,000 may be utilised for more useful purposes.

The second aspect of wastage incurred by this Department which I want to bring to the notice of this House is the existence of the posts of Assistant Excise Commissioners. When the whole State is governed by 3 Division Peishkars on the Revenue side and by 3 District Superintendents of Police, I cannot know the necessity to retain 9 Assistant Excise Commissioners. With reference to the report one could see that there are 45 Inspectors who draw as salary Rs. 100 and above. Here also I cannot understand the necessity for such a big staff. These Assistant Excise Commissioners have no independent status and they are not of much use to Government excepting as being officers of a forwarding department like the Anchal Department. This also is a real wastage. And in the face of such a large number of Inspectors the posts of the Assistant Commissioners is unnecessary.

Mr. P. G. Narayanan Unnithan: Is there any Division Officer of any Department who gets as low a pay as Rs. 150-200?

Mr. G. Narayana Aiyar: I am not referring to the pay of the officers. But what I say is that it is a surplus and as such a wastage for the Department. As work of the Petty Officers and other subordinates can be supervised by the Inspectors the number of these Assistant Commissioners can be cut short and we can thus save an amount of Rs. 20,000 annually. An expert officer can be appointed at Shencottah to look after the collection of duties.

Then with regard to the third point I want to submit this. In the Budget on page 17.....

President: The honourable member will realise that he must restrict his remarks to the minimum of the time allotted to him, as a number of other honourable members have given their ames to speak.

Mr. G. Narayana Aiyar: On page 17 of the Budget under 23 head, we find the amount of duty expected is said to be Rs. 20 lakhs. But we are at a loss to know the amount expected under each item. Therefore, what I submit is that unless proper statistics are made with regard to production and consumption of all articles available in the data we will not be able to know how much is produced and how much is consumed and what is the balance available for export. The practice seems to be to fix a certain amount as the probable amount of customs duty for next year. That procedure is neither correct nor safe. Moreover if proper production statistics are prepared and shown in the report of the department the leakage of revenue can also be found out. Sir, it was very recently announced that the war department wanted mangoes and arrowroot from us. It is not now possible to arrive at proper figures as to

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their availability. The maintaining of proper statistics is all the more important in the Excise Department than in the case of other departments as it is the biggest revenue yielding department. So it is highly necessary to have a separate statistical department.

Then I would submit that the Interportal Convention should be renewed in view of the existence of some defects in its clauses and also in view of the loss which we have to incur. I wish to say a few words with regard to the price of salt. Sir, I am of the opinion that the price of salt which is one of the most important daily necessities, should be made as low as possible. In the neighbouring British District the price for one pakka of salt is only one anna. But here where we manufacture and stock surplus salt the price is very high. This I submit is very hard especially on the poor people. Therefore some steps will have to be taken by the Government to see that the price of salt is kept far below the rate obtained elsewhere. In this connection I may say that by the renewal of the Interportal Convention it is possible to reduce the price of salt. This will bring a great relief to the poor people. With these words I oppose the demand.

Mr. Kottur Kunjukrishna Pillai (*Quilon cum Kunnattur*): Sir, I would not have taken the time of the House to speak on this motion but for the fact that I felt a pleasant surprise as I read the Administration Report of the Excise Department. I found, in the course of my reading, what an enthusiastic and patriotic head of a department could do even in such a department as the Excise Department. But I am surprised to find Mr. Narayana Aiyar particularly vehement regarding the expenditure of this department. It is found from the Administration Report that the cost of administration of the department during the year under review was only 5·13 percent as against 5·91 in 1114. Even though the economic distress and other factors are operating against successful working of this department, it could be seen on a careful perusal of the Report that the department has been successful enough to maintain a steady progress in the matter of revenue and also in respect of most other items. The reduction in revenue was only nominal when we find that about 68 thousand and odd rupees was the deficiency in the total income of this department. There was an increase, on the other hand, under salt and under customs and a decrease of Rs. 3 lakhs and odd under duty on matches which has been explained very well in the Budget Memorandum and in the Budget speech. Therefore, if we consider all these, it must be said, under the present circumstances, the department has been working successfully. Sir, it has been pointed out that in a place like Travancore, where it is possible to produce toddy with the crudest of means, where it is possible to evade payment of duty, the supervising staff cannot be reduced without serious risks. My friend Mr. Narayana Aiyar

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pointed out that, while there are only 3 D. S. Ps. in the Police Department, there are many Assistant Commissioners in the Excise Department. Sir, that is not a fair way of comparison. He did not conveniently compare the number of A. S. Ps and D. S. Ps put together and the number of Officers in different grades working in the Police Department. If the Police Department is entitled to have D. S. Ps and A. S. Ps in such large numbers drawing much higher salaries, I think that for the revenue of the State and for prevention of smuggling and illicit manufacture of certain articles which are so easy in the circumstances of Travancore, the staff is not too much. I do not mean to say that there is nothing more to be done for the improvement of the department. A lot can be done and a lot ought to be done. It is seen that the great difficulty of the department has been the accumulation of arrears caused on account of the not very wise policy of leasing out these shops at extraordinary prices which are unrealisable. That burden is hanging on the Department. It is slowly being reduced. I think, Sir, the best way will be to look at the question courageously and to write off the amounts that will be found to be unrealisable. They are doing it and I think that greater speed ought to be shown in that work. These contractors of toddy shops should not be destroyed. They have to get on if the department is continued and they should not be allowed to ruin themselves by bidding at auctions at abnormal prices. A wiser policy ought to be adopted with regard to the auctioning of these shops and the realisation of the amounts from those contractors. It is seen that the income from salt is increasing. I do not know whether it will be possible for Travancore to sell salt at lower prices as Mr. Narayana Aiyar suggested. He may as well have asked and that would have been a more catchy sentiment if he had said that all tax on salt should be reduced. There is no use in our saying things without considering the attendant circumstances. I do not think the Excise Commissioner, will be able to do anything in that direction. It is seen, Sir, that consumption of salt is not lower than that in other parts of India.

With regard to the question of statistics raised by Mr. Narayana Aiyar, I agree with him. Ever since the publication of the report of the Banking Enquiry Committee, there has been a demand for a bureau of statistics. I think, Sir, that is a very essential thing so far as the State is concerned. We have not got reliable statistics especially of our production. Government statistics are useful more for administrative purposes and the information collected in the Government statistics are not very useful from the economic standpoint. I am aware of the fact that something like an economic survey is going to be conducted. But about that, when I get an opportunity I wish to speak. But before all that and all such

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ambitious schemes, there should be a bureau of statistics to have accurate information regarding our production. With these few words, I have very great pleasure in congratulating the Excise Commissioner on the very successful administration of the department in these difficult times. His success is exceptional and that is the reason why I thought it necessary to take up the time of this House.

Mrs. Abernam Gnanasikhamony (*Nominated*): Sir, I wish to speak a few words, supporting the motion on salt.

President: The honourable member will kindly raise her voice.

Mrs. Abernam Gnanasikhamony: Sir, Salt industry is the only one which thrives very well in South Travancore and as salt is being over-produced, there is an order to stop one season's work. I have also heard the Dewan-President's statement elsewhere that arrangements are being made with the Government of India to sell surplus salt. We are very glad and gratified to hear this and we are thankful to the Government for the same. But if even one season's work is to be stopped in the Agastiswaram taluk it is really very sad, because lot of labourers in that industry will be thrown out of work and the fate of those people will be even worse than that of the people of Alleppey or Shertallai. But the salt is produced without much expenditure on the part of the Government. The more salt produced, the more income to Government. So, Sir, my request is that even this one season's stoppage order should be considered and some relief should be given. With these few words, I resume my seat.

Mr. K. M. Kesavan (*Karunagapally, Karthigapally and Ambalapuzha* cum *Shertalai*): Sycophancy is not my trade nor should it be the trade of any gentleman of self-respect. But Sir, wherever we see merit, honesty and integrity, coupled with efficiency, certainly we must recognise that and according to this view point, I have to congratulate the honourable member for Excise. All the same, I have to point out, as my honourable friend Mr. Kottur Kunjukrishna Pillai stated, that it should not be the policy of Government to sell all toddy shops to the highest bidders.

President: Order, order. What is the suggestion that the honourable member would make?

Mr. K. M. Kesavan: Sir, it is this. By careful enquiry, it should be previously made out that for such and such an amount a particular toddy shop can be sold, so that there shall not be any loss either to Government or the shop keeper. The bid for that shop must be something approximate to that amount. If that policy is pursued, I think the present accumulation of arrears can be avoided. We have already had a great amount of money to be collected as arrears. Every effort must be made to collect these arrears. If after making all efforts it becomes impossible to collect a certain

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amount it should be treated as a bad debt and Government should gather courage to write it off so that we might begin a new chapter without leaving any arrears in future.

Sir, there is a large number of peons in the Excise Department about 2000 or so, and a considerable portion of them formed the temporary staff. Some of them I understand are going to be absorbed in the permanent service, but a lot of them are to be disbanded, I think, shortly. It is a very hard thing if these poor employees are disbanded at the beginning of the next year, particularly in these hard times. So Government should consider their case sympathetically and keep their names in the reserve list, to be absorbed as and when vacancies arise.

Another point which I have to draw the attention of Government to, is that the designation of these peons be changed to that of Sepoys or Constables or something of that sort. They are not peons in the general sense of the term, as they are found in other offices. They are small executive officers and I have talked with several of them and every one of them has told me that they feel a sense of humiliation by the designation peons. To introduce this reform, it does not cost Government a single pie. They may be called sepoys or constables.

President : Order, order.

Mr. P. W. U. Park (*Travancore planters*) : May I know from the honourable member the meaning of the word " peon " ?

Mr. K. M. Kesavan : I have not got a dictionary before me here to give a ready definition of the term " peon ". But I have stated it, as it is understood in common parlance.

Mr. T. Krishna Pillai (*Kalkulam and Vilavancode* cum *Neyyattinkara*) : One interesting feature of the Travancore Government is the existence of a number of Departments, which, by no stretch of imagination could we justify their independent existence, as well as an injudicious huddling together of offices, which ought to function as separate independent units. Of course, it is eminently gratifying to note that of late the Government have begun to realise the existence of the former evil and have already started a process of amalgamation. Sir, the Excise Department offers an example of tacking together the offices which ought to function separately — Abkari, Excise and Customs are grouped together and brought under the administrative control of the Excise Commissioner. Sir, technical skill, specialised knowledge and concentrated control are highly essential for the discharge of these three divergent duties. By this, I must not be taken to mean that I am casting any reflection on the present Excise Commissioner far from it. Fortunately, Sir, we have in him an young energetic and a very enthusiastic officer whose pleasing manners and sterling

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honesty have already endeared him to the public as well as his subordinates. I refuse to use such superlative phrases like my friend Mr. Kunjukrishna Pillai, but undoubtedly I am at one with him in thinking that he is a very efficient officer and I have no hesitation to congratulate him for that. But, Sir, in the interests of commerce and trade and in the interests of customs revenues, which have been long subjected to bleak freezings of neglect I urge a separation of the customs from Excise and the creation of a new department for Customs and Commerce. Sir, you have opened our eyes to the fact that Travancore, unlike other States, have to depend for her revenues not upon land but upon Excise and Customs. Sir, it may be said that our customs revenue is entirely made up of the income derived by pursuing an antiquated and pernicious policy of levying taxes on exports. Taxing of exports is a common feature of agricultural countries ; and till we metamorphose to a full blown industrial country we cannot help but keeping up this vestige of barbarism.

Speaking about customs, I will be failing in my duty if I do not refer to the cursed Interportal Trade Convention which hang heavily on us. Sir, no State has suffered so much from a commercial treaty as Travancore has suffered from the interportal convention. The convention is nothing more than a truncated scheme not justified by private agreement or international morality. Sir, your persuasive pleading has already evoked the sympathy from that descerning statesman who guide the destinies of India to-day, and a big order has been placed on us by the Surplus Department. The creation of innumerable institutions throughout the length and breadth of this land in memory of your Shashtiabdapurthi and the universal rejoicing with which it was celebrated in Travancore are but eloquent testimony of our great regard and esteem for you and your achievements in Travancore till now. But, Sir, in my humble opinion, no honour could be greater than the everlasting gratitude the Travancoreans will have for you if by your able advocacy and wise counsel, you successfully prevail upon the British Government in removing this incubus of the Interportal Trade Convention.

Sir, going through the Administration Report of the Department for the past few years it is seen that a fairly handsome amount is expended towards the transport of salt from South Travancore to North Travancore. We understand that this transport is effected by some private foreign agency and that it is done by means of small schooners. Fortunately Travancore is happily blessed by nature with a plenteous profusion of forest growth, offering an inexhaustible supply of timber despite the vandalistic activities of the Forest Department, and I would in all seriousness

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suggest to Government to consider whether it may not be advantageous for Travancore to build schooners of their own. There are days when we strain every nerve to put to proper use our indigenous products. Travancore, unlike other States, owns an enviably long seaboard punctuated with natural ports. When this exists sufficient material and facilities for putting it to proper use why not, Sir, we build a flotilla of schooners. The shortage of fuel oil as well as the non-availability of auto-materials resulted already in creating difficulties for our inland auto-transport, and I am sure, that this difficulty could be considerably eased and relieved by resorting to a coastal aquatic transport. I wish the Government would bestow their serious consideration to this matter.

With these few words I support the motion.

Mr. V. Sankara Menon (*Trivandrum and Nedumangad cum Chirayinkil*) : Sir, in supporting this demand I should like to say a few words upon salt manufacture in the State. The point that I wish to raise for the consideration of the Head of the Department and of the Government at this juncture is about the dog in the manger policy followed by certain licensees in the old Rajakkamangalam Allom in South Travancore. I understand that the lincesees there, are not manufacturing any salt themselves nor are they willing to allow others to manufacture salt there on the ground that they are legally entitled to the Alloms. I think it is high time for Government to see, if necessary, after taking legal advice, whether Government itself should take adequate steps for not keeping these Alloms idle.

Sir, in regard to the general policy of the Department I wish just to say that I am glad that corruption which was rather prevalent in the Department some time ago has now abated considerably with the advent of the new energetic Excise Commissioner. In that connection I would just draw the attention of Government to the fact that the Department should bestow better consideration to the frontier Chowkeys especially at Arukutty, Veluthully and a place near Udayamperur. Sir, in this last mentioned place a Kayala wall separates Travancore from Cochin and it is easy for people to shove away contraband tobacco just over the head of the Kayala wall. In this connection it is necessary that I should say that persons of proved honesty and trustworthiness should be deputed to these places and these persons should be taught the rudimentary principles of courtesy and good behaviour, especially when dealing with people who have to cross the boundary lines. I have myself experienced on one or two occasions incovenience and worry when crossing the boundary either on land or on water. We

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have to wait nearly for one or two hours at the convenience of those persons who came to examine the Vallams or other modes of conveyance and satisfy themselves that we are not carrying any contraband articles. I suggest that these persons should be instructed to behave more courteously and in an orderly manner towards the people they come into touch with.

I also wish to say that it is very important for Excise administration that the chowkeys should be more often supervised by the head of the department. I know an instance where a murderer escaped conviction through the help of a chowkey. He murdered his karanavan in regard to some dispute over property and he cooly brought a pound of contraband tobacco to the boundary and with the connivance of the chowkey authorities he placed himself under their custody and a record was created that he was there even the day prior to the murder, and at the time of murder next day. I do not say that such a thing happened now. This happened long ago. I only want to stress the importance of the boundary chowkeys lying between other States and this State. With these words I support the demand.

Mr. A. Easwara Pillai : Sir, some honourable members have exhaustively spoken on the policy and the working of the department. I wish to confine myself to one or two points. Sir, from the administration report it is found that the arrears of this department are accumulating from year to year. It is also seen from the report that it is rather difficult to realise these arrears in the near future. On account of the slackness of the Revenue Department or of the employees of the Excise Department these arrears are on the increase. Sir, the main cause of this accumulation of arrears is said to be that the properties of the defaulters are heavily encumbered and hence it is exceedingly difficult to realise. Sir, my impresson is that these arrears have come into existence on account of the indiscriminate auctioning of shops by the authorities concerned. These arrears are being accumulated for the last 12 or 13 years and the various Commissioners are responsible for this accumulation. Shops are given in auction to persons who have got no means. Insolvent persons come forward to bid in auction and just to show an increased revenue on paper Commissioner will give the shops to insolvent adventurers. These arrears can be stopped if the Commissioner takes necessary steps to ascertain the solvency of the persons who come forward to bid in the auction of shops. There are Excise Inspectors who are on the spot and they can, if they want, ascertain the financial condition of the various vendors of shops, or they can consult the revenue authorities to find out the financial position of all these bidders.

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Sahib Bahadur M. Sultan Muhiadheen (*Trivandrum and Nedumangad* cum *Chirayinkil*): ഇപ്പോഴത്തെ റവന്യൂ അത്താറിട്ടികളുമായി ആലോചന നടത്താതെയാണോ ഷാപ്പുകൾ ലേലത്തിൽ കൊടുക്കുന്നത്?

Mr. A. Easwara Pillai: Usually the Revenue authorities are consulted only after the auction sale or on the day of the auction sale. My information is that the Excise Commissioner goes to a particular place for conducting the auction. Then the Tahsildar will also be present. And the Commissioner will consult the Tahsildar whether a particular person who has come to bid in auction is solvent. The Tahsildar cannot know all the persons in the Taluk and even if he knows them he cannot be sure about the financial condition of all the bidders. So, in an off-hand manner he will say that the man may or may not be solvent. Anyhow the auction will go on. Sir, without ascertaining the financial condition of the bidder no shop should be given in auction. But if the present policy is continued, surely the arrears will accumulate and ultimately a major portion of the revenue will fall into arrears. To avoid this, as far as possible, the solvency of the venders should be ascertained beforehand. There is no use in showing huge amounts on paper alone. The success of the Commissioner of Excise depends not on the amount shown on paper, but on the amount actually collected during the course of the year.

Now the shops are sold in auction for a period of two years. A person who bids the shop in auction may pay the kist regularly for some time. Then by circumstances, he may become an insolvent. If he is a dishonest man he may transfer his properties fraudulently. To obviate this difficulty, I suggest that shop should be auctioned every year. There should be no difficulty in realising the arrears if the shop is given only for a short period of one year.

Another point I wish to mention is that the offences under the department are on the increase. I think that the reason for that is that both the collection of revenue and the prevention of offences are left entirely under the control of identical persons. Both the functions should not be entrusted with the same department because the collecting agency will always show an avidity to increase the revenue and there is every likelihood of encouraging illicit tapping or illicit distilling. There are sub-shops in several places conducted with the knowledge of the employees of the department. As far as possible, these two functions should be separated and conducted by different agencies.

Sir, at present smuggling of tobacco, beedy leaves, etc., are a common occurrence. So far as tobacco and beedy leaves are concerned, I suggest that the duty on these two items may be abolished. Instead of imposing duty on these articles, Government can introduce independent shops. I think this system will be more

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convenient, practical and profitable also. Thus the scandalous crime of smuggling can be brought to a stand still.

Mr. P. G. Narayanan Unnithan: Sir, I am thankful to the honourable members for the various suggestions that they have given and for the kind words said about my humble work and about my attempt at putting down corruption in the department.

Sir, reference was made by one honourable member to the continuance of the railway chowkeys even after the retrocession. Sir, I have examined the question and have submitted my proposals to Government. But the question is not so simple as it appears to be. The honourable member is perhaps not aware that we are collecting over Rs. 5 lakhs by way of customs through these chowkeys. It is true that in a few of these chowkeys the collections are not considerable. But through chowkeys like the Quilon Railway Chowkey and the Trivandrum Central Railway Chowkey there are large exports and imports. If we are thinking of having only a single chowkey, at the frontier, not at Shencottah because it is not at the frontier, it is very likely that most of the exporters who are now sending their goods through the intermediate chowkeys may not be able to send their goods. It is certain that for some time at least till forwarding agencies grow up there will be trouble and the revenue therefrom will certainly suffer a diminution. Further, this is not the time when we should try any such experiment. It is stated that the expenditure on these chowkeys will come to about Rs. 15,000; but the revenue through them, as I have stated, is about Rs. 5 lakhs. As I have said, the question has been examined under all its aspects and it is now pending with the Government.

Next, the honourable member said that it must be possible to reduce the number of Assistant Commissioners. The honourable member may be aware that we had Circle Inspectors between the Inspectors and the old Assistant Commissioners. The present Assistant Commissioners appointed in place of Circle Officers do not get even the pay of the A. S. Ps. They start only on Rs. 150 and though Division Officers their status is only that of the Tahsildars. The honourable member may be aware of the number of Tahsildars in the State. In a department which is responsible for a greater revenue to the State than the Land Revenue Department, we are having only a much lesser number of Assistant Commissioners. Orginally there were 11 Assistant Commissioners, but the number has been recently reduced to 9. Of these, the honourable member may be aware that we have five at the frontier areas. In the other places the jurisdiction of the Assistant Commissioners certainly is very large. At the frontiers Superior Officers are necessary for supervision. The Inspectors are not authorised to handle customs cases. Where, as some honourable members pointed out, there is

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barrier demarcating the boundaries between this State and the neighbouring province or State, the problem of frontier guard is difficult; and if we do not have superior officers at the frontiers the question of conserving customs revenue will be very difficult indeed. Government have gone into the question of reduction and any reduction that has been possible has already been made, further reduction in this Department could not be made without prejudice to State Revenue statistics. About production I may inform the honourable member that the department will have no objection if these statistics could be got some how. But it is certainly not possible for the Customs Department to prepare these statistics of production.

Mr. G. Narayana Aiyar: May I know from the honourable member whether the suggestions of members of this House are also suggestions made to Government?

Mr. P. G. Narayanan Unnithan: Yes, Sir. These statistics will be useful to the Customs Department also but this department will not be able to take these figures.

A few things were said about salt. One is about the price of salt. We have got certain difficulties in lowering the price of salt beyond a certain limit. We have to keep to the Indian selling price of salt and the duty on salt here should be the same as the duty on salt in British India.

About the prohibition of production during the Purattasi pani, it was found that there was over-production of salt and Government have been trying to find some way of checking this. Under the rule, salt could not be stored for more than a certain period. If therefore there is continual over-production, the old stocks will have to be pushed into the brine and that will be a waste and the labourers will naturally get less thereafter. If Government do not control production there will come a stage when the manufacture of salt will have to be stopped for a long period. Instead of that, Government are only trying to reduce the number of manufacturing months every year. If it is possible to find a market outside the State for the excess salt, even this prohibition may be removed.

About the transport of salt I may inform the honourable House that Government are publishing the price of salt at the factories and at the depots in the State. The price at the depot includes the issue price at the factory as also the cost of transport. Transport is arranged on competitive basis. We get sealed tenders and recommend the lowest for the acceptance of Government.

Mr. T. Krishna Pillai: May I know from the honourable member whether at any time in the past any Travancorean agency was employed?

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Mr. P. G. Narayanan Unnithan : Sir, of the three contractors engaged this year two are Travancoreans.

Sir, about the Rajakamangalam factory, it was stated by some honourable member that the licensees are pursuing a dog in the manger policy. These licensees have certain rights which the other licensees in other factories do not have, because they have certain rights over their factory land. Hence that factory stands on a different footing from the other factories. If they do not manufacture salt there, this Government cannot do anything in the matter. However Government are trying to induce them to produce good salt.

About arrears, this matter has come up before this House more than once. It is not a fact that arrears are directly due to contracts being given for high figures. The arrears which we find in the Administration Report refer to what is called old arrears. It was from 1106 that these arrears accumulated. Soon after the contract for 1106 and 1107 was settled, towards the end of 1105, there was a sharp decline in the economic condition and the shop contractors were not able to conduct the shops. What happened was that re-auctioning of the shops, for forty and thirty per cent. of the original rental, was found necessary. This meant loss to Government. Arrears and old arrears accumulated and at one time it amounted to Rs. 9 lakhs. Now the figure stands at Rs. 5 lakhs, odd.

Prsident : How much of it has been written off.

Mr. P. G. Narayanan Unnithan : About Rs. 2 lakhs has been written off by Government, Sir. This year up to Medam it was possible to collect about Rs. 12,000. As time goes on, however, all the good debts, so to say, will be collected and arrears left uncollected will be difficult of collection. But the department is trying its very best with the help of the Land Revenue Department to collect as much as possible.

In regard to the suggestion made for auctioning the shops, I inform the honourable members that all possible safeguards are taken before auction for seeing that insolvent people are not given shops. The Revenue authorities, the Tahsildar, and the pakuthy staff, with their Registers, come and they certify which of the bidders have got property and pay tax. It is only to those who have got property and who actually pay tax that shops are given in auction. But it sometimes happens that after they take up shops, some contractors dispose of their property. In such cases there will be difficulty in collection and some amount may have to be written off on that account. This has sometimes actually happened, but it is not because the department has not been careful in the matter of giving these shops on contract.

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[Mr. P. G. Narayanan Unnithan.]

In regard to smuggling of tobacco and beedi tobacco, it was suggested that the best method to stop it would be to abolish the duty on tobacco. I do concede that there will be no smuggling where the article is not dutiable. But that will mean a great loss to Government which it will not be possible to make up otherwise.

Mr. A. Easwara Pillai: Can it not be made up by realising rentals from the shops given to the persons?

Mr. P. G. Narayanan Unnithan: Sir, it is the independent shop system that is being tried in Cochin and we find that they are getting less than one-fifth of what we are getting under the present system. Difficulty of collection of rentals, unlike import duty, has to be considered.

President: The question before the House is that Government be granted a sum of Rs. 7,09,732 under Demand I—Excise.

The motion was then put and carried. The grant was made.

DEMAND II—LAND REVENUE AND TAXES ON INCOME.

Mr. S. Ramakrishna Aiyar: Sir, I rise to move for a grant of Rs. 8,21,670 under Demand II—Land Revenue and Taxes on Income.

Mr. M. Sultan Muhiadheen: സർ, പോക്കുവരവുകേസുകൾ തീരുമാനിക്കുന്നതിനു താമസം വരുന്നതുകൊണ്ടു് നാലും അഞ്ചും കൊല്ലങ്ങൾക്കു മുമ്പു് വിലകൊടുത്തുപോയ വസ്തുക്കൾപോലും മൻജന്മിയുടെ കരക്കുടിശികക്കായി ലേലത്തിൽ വിറ്റുപോകുന്നുണ്ടു്. ക്രമത്തെ, മരിച്ചുപോയ പട്ടാളാരന്മാർക്കു പകരം അവരുടെ അവകാശികളുടെ പേർ ക്രമത്തിൽ ചേർത്തു പേരു പിടിക്കുന്നതിനു താമസം വരുത്തുന്നതുകൊണ്ടു വസ്തുടമസ്ഥന്മാർക്കു കരക്കുടിശികക്കു ലേലം വയ്ക്കുന്ന വിവരം തന്നെ അറിയാൻ നിവൃത്തിയില്ലാതെവന്നതിനും തൻമൂലം അനേകം വസ്തുക്കൾ ലേലത്തിൽ പോകുന്നതിനും ഇടയായിട്ടുണ്ടു്. വിശേഷിച്ചും സാമ്പത്തികാധഃപതനം അതിന്റെ മൂർദ്ധന്യത്തിലെത്തിയിരിക്കുന്ന ഈ ഘട്ടത്തിൽ ഇതു വളരെ കഷ്ടമായ ഒരു സംഗതിയുമാണു്. ചില വസ്തുക്കളിൻനിന്നും സർക്കാരിലേക്കും ശ്രീപണ്ടാരവകയ്ക്കും ഇങ്ങനെ രണ്ടുതരത്തിൽ കരം ഈടാക്കുന്നുണ്ടു്. ഈ കരം പിരിക്കേണ്ടതു പ്രത്യേകം പ്രത്യേകം അധികാരികൾ ആണെങ്കിലും അവരുടെ മേലധികാരി ഡിവിഷൻപേഷ്കാരാണു്. ഇങ്ങനെ രണ്ടധികാരികളെക്കൊണ്ടു് കരം പിരിക്കുന്നതുകൊണ്ടു ചിലപ്പോൾ കരക്കുടിശികക്കായി രണ്ടു് അധികാരസ്ഥാനങ്ങളിൽനിന്നും വസ്തുക്കൾ ലേലത്തിനു വക്കുകയും മുന്നും പിന്നുമായി ലേലം നടക്കുകയും

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